

AMENDED IN SENATE JULY 10, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

**ASSEMBLY BILL**

**No. 885**

**Introduced by Assembly Member Honda**

February 27, 1997

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An act to amend Section 22200 of, and to add Section 22200.1 to, the Education Code, relating to the State Teachers' Retirement System, ~~and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 885, as amended, Honda. Teachers' Retirement Board.

Under existing law, the State Teachers' Retirement System and the State Teachers' Retirement System Cash Balance Plan are administered by the 12-member Teachers' Retirement Board. Two of the members of the board must be members of the system or the plan, who are classroom teachers in kindergarten or grades 1 through 12, and another member must be a retirant of the system or the plan. All 3 of these members are appointed by the Governor for 4-year terms from a list submitted by the Superintendent of Public Instruction. Another member of the board is required to be a community college instructor with expertise in business or economics or both, and is appointed by the Governor for a 4-year term from a list submitted by the Board of Governors of the California Community Colleges.

This bill would, instead, require that all these members of the board be elected, at elections conducted by the board, by the members of the group to which they belong, for 4-year

terms, to commence at specified intervals. ~~It would require that one member be a classroom teacher of kindergarten or grades 1 through 6, and another member be a classroom teacher of grades 7 through 12. This~~ The bill would delete the requirement that *the 2 members must be classroom teachers and that* the community college instructor have expertise in business or economics or both.

This bill would require the board to adopt regulations regarding these elections, and would exempt the regulations from the requirements of the Administrative Procedure Act.

This bill would permit the board to establish a full-time position to implement the regulations ~~and would appropriate \$62,500 from the Teachers' Retirement Fund to the board for that purpose and would require costs of elections to be paid by the Teachers' Retirement Fund as appropriated in the annual Budget Act.~~

Vote: majority. Appropriation: ~~yes~~ *no*. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 22200 of the Education Code is
- 2 amended to read:
- 3 22200. (a) The system is managed by the Teachers'
- 4 Retirement Board. The members of the board are as
- 5 follows:
- 6 (1) The Superintendent of Public Instruction.
- 7 (2) The Controller.
- 8 (3) The Treasurer.
- 9 (4) The Director of Finance.
- 10 (5) One person who, at the time of appointment, is a
- 11 member of the governing board of a school district or a
- 12 community college district. The member shall be
- 13 appointed by the Governor for a four-year term from a list
- 14 submitted by the Superintendent of Public Instruction.
- 15 (6) Three persons who are members of the Defined
- 16 Benefit Plan or participants of the Cash Balance Plan, as
- 17 follows:
- 18 (A) Two persons who, at the time of election, are
- 19 ~~classroom teachers and~~ active members of the system or

1 participants of the Cash Balance Plan. These members  
2 shall be elected *pursuant to regulations adopted by the*  
3 *board* by the active members of the system or  
4 participants of the Cash Balance Plan *for four-year terms*  
5 *commencing upon the expiration of the terms in*  
6 *existence on January 1, 1998.* ~~who are classroom teachers~~  
7 ~~in kindergarten or grades 1 through 12. Pursuant to~~  
8 ~~regulations adopted by the board, of these two members,~~  
9 ~~one member, who shall be a classroom teacher of~~  
10 ~~kindergarten or grades 1 through 6, and one member who~~  
11 ~~shall be a classroom teacher of grades 7 through 12, shall~~  
12 ~~be elected for a four-year term commencing upon the~~  
13 ~~expirations of the terms in existence on January 1, 1998.~~

14 (B) One person who, at the time of election, is a  
15 community college instructor who shall be elected by the  
16 active community college members of the system. This  
17 member shall be elected pursuant to regulations adopted  
18 by the board, for a four-year term, commencing upon the  
19 expiration of the term in existence on January 1, 1998.

20 (7) One member who is a retired member of the  
21 Defined Benefit Plan or a participant receiving an  
22 annuity under the Cash Balance Plan elected by the  
23 retired members of the Defined Benefit Plan and the  
24 participants receiving an annuity under the Cash Balance  
25 Plan. This member shall be elected pursuant to  
26 regulations adopted by the board, for a four-year term,  
27 commencing upon the expiration of the term in existence  
28 on January 1, 1998.

29 (8) One officer of a life insurance company appointed  
30 by the Governor for a term of four years, subject to  
31 confirmation by the Senate.

32 (9) One officer of a bank or a savings and loan  
33 institution who has had at least five years of broad  
34 professional investment experience handling various  
35 asset classes such as stocks, bonds, and mortgage  
36 investments and who shall be appointed by the Governor  
37 for a term of four years, subject to confirmation by the  
38 Senate.

(10) One person representing the public, appointed by the Governor for a term of four years, subject to confirmation by the Senate.

(b) The term of the office of each member described in paragraphs (6) and (7) of subdivision (a) shall be adjusted so as to commence on January 1 and to expire on December 31 of the calendar year.

(c) The members of the board shall annually elect a chairperson and vice chairperson.

SEC. 2. Section 22200.1 is added to the Education Code, to read:

22200.1. (a) The board shall conduct the elections of members described in paragraphs (6) and (7) of subdivision (a) of Section 22200 pursuant to regulations adopted by the board.

(b) The board shall hold special elections to fill vacancies that occur during the term of the elected members of the board. If, at the time a vacancy occurs, the unexpired term is less than two years, the new member elected to fill the vacancy shall hold office for a period equal to the remainder of the term of the vacated office plus four years.

(c) The regulations adopted by the board pursuant to this section and Section 22200 shall not be subject to Article 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(d) The regulations adopted by the board shall provide that the elections be conducted in the most cost-effective manner deemed feasible. The board, where practicable, shall consolidate election mailings with other mailings and shall address any other feasible cost-saving measures.

(e) The board may establish a full-time position, as required, to implement this section.

~~SEC. 3. There is hereby appropriated the sum of sixty-two thousand five hundred dollars (\$62,500) from the Teachers' Retirement Fund to the Teachers' Retirement Board for the 1998-99 fiscal year for expenditure for the purposes of subdivision (c) of Section~~

1 ~~22200.1 of the Education Code and other costs associated~~  
2 ~~with this act.~~

3 *(f) All costs of elections shall be paid by allocations*  
4 *from the Teachers' Retirement Fund as appropriated for*  
5 *that purpose in the annual Budget Act.*

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